

SENATE, No. 2647

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 31, 2018

Sponsored by:

Senator BRIAN P. STACK

District 33 (Hudson)

Co-Sponsored by:

Senators Bateman, Brown, A.R.Bucco, Connors, Corrado, Doherty, Holzapfel, T.Kean, Oroho, O'Scanlon, Singer and Thompson

SYNOPSIS

Authorizes NJ Infrastructure Bank to expend certain sums to make loans for environmental infrastructure projects for FY2019.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 6/22/2018)

1 **AN ACT** authorizing the expenditure of funds by the New Jersey
2 Infrastructure Bank for the purpose of making loans to eligible
3 project sponsors to finance a portion of the cost of construction
4 of environmental infrastructure projects, and making an
5 appropriation.

6
7 **BE IT ENACTED** *by the Senate and General Assembly of the State*
8 *of New Jersey:*

9
10 1. a. The New Jersey Infrastructure Bank, established pursuant
11 to P.L.1985, c.334 (C.58:11B-1 et seq.), is authorized to expend the
12 aggregate sum of up to \$810.6 million and any uncommitted
13 balance of the aggregate expenditures authorized pursuant to
14 section 1 of P.L.2000, c.93, section 1 of P.L.2001, c.224, section 1
15 of P.L.2002, c.71, section 1 of P.L.2003, c.159, section 1 of
16 P.L.2004, c.110, section 1 of P.L.2005, c.197, section 1 of
17 P.L.2006, c.67, section 1 of P.L.2007, c.140, section 1 of P.L.2008,
18 c.67, section 1 of P.L.2009, c.101, section 1 of P.L.2010,
19 c.62, section 1 of P.L.2011, c.95, section 1 of P.L.2012,
20 c.38, section 1 of P.L.2013, c.94, section 1 of P.L.2014,
21 c.26, section 1 of P.L.2015, c.107, and section 1 of P.L.2016, c.31
22 as amended by P.L.2017, c.13, and section 1 of P.L.2017, c.142 as
23 amended by P.L.2017, c.327, for the purpose of making loans, to
24 the extent sufficient funds are available, to or on behalf of local
25 government units or public water utilities (hereinafter referred to as
26 "project sponsors") to finance all or a portion of the cost of
27 construction of environmental infrastructure projects listed in
28 sections 2 and 4 of this act.

29 b. The trust is authorized to increase the aggregate sums
30 specified in subsection a. of this section by:

31 (1) the amounts of capitalized interest and the bond issuance
32 expenses as provided in subsection b. of section 7 of this act;

33 (2) the amounts of reserve capacity expenses and debt service
34 reserve fund requirements as provided in subsection c. of section 7
35 of this act;

36 (3) the interest earned on amounts deposited for project costs
37 pending their distribution to project sponsors as provided in
38 subsection d. of section 7 of this act;

39 (4) the amounts of the loan origination fee as provided in
40 subsection e. of section 7 of this act; and

41 (5) the amount appropriated to the Department of Environmental
42 Protection for the purpose of making zero interest and principal
43 forgiveness loans pursuant to section 3 of P.L. , c. (pending
44 before the Legislature as Senate Bill No. of 2018 and Assembly
45 Bill No. of 2018) in connection with the project costs of a
46 particular project sponsor, to the extent the priority ranking and an
47 insufficiency of funding prevents the department from making the
48 loan as provided in subsection f. of section 7 of this act.

49 c. (1) Of the sums made available to the trust from the "Water
50 Supply Trust Fund" established pursuant to subsection a. of section

1 15 of the "Water Supply Bond Act of 1981" (P.L.1981, c.261)
2 pursuant to P.L.1997, c.223, the trust is authorized to transfer such
3 amounts to the Department of Environmental Protection as needed
4 for drinking water project loans pursuant to the "Safe Drinking
5 Water Act Amendments of 1996," Pub.L.104-182, and any
6 amendatory and supplementary acts thereto (hereinafter referred to
7 as the "Federal Safe Drinking Water Act"), under terms and
8 conditions established by the Commissioner of Environmental
9 Protection and trust, and approved by the State Treasurer, which
10 loans shall be jointly administered by the trust and department.

11 (2) Of the sums appropriated to the trust from the "Wastewater
12 Treatment Trust Fund" established pursuant to section 15 of the
13 "Wastewater Treatment Bond Act of 1985," (P.L.1985, c.329)
14 pursuant to P.L.1987, c.198, the trust is authorized to transfer such
15 amounts as needed to the Clean Water State Revolving Fund
16 established pursuant to section 1 of P.L.2009, c.77 for the purposes
17 of issuing loans or providing the State match as required for the
18 award of the capitalization grants made available to the State for
19 clean water projects pursuant to the "Water Quality Act of 1987"
20 (33 U.S.C. s.1251 et seq.), and any amendatory and supplementary
21 acts thereto (hereinafter referred to as the "Federal Clean Water
22 Act").

23 (3) Of the sums appropriated to the trust from the "1992
24 Wastewater Treatment Trust Fund" established pursuant to section
25 27 of the "Green Acres, Clean Water, Farmland and Historic
26 Preservation Bond Act of 1992" (P.L.1992, c.88) pursuant to
27 P.L.1996, c.86, the trust is authorized to transfer such amounts as
28 needed to the Clean Water State Revolving Fund for the purpose of
29 providing the State match as required for the award of the
30 capitalization grants made available to the State for clean water
31 projects pursuant to the Federal Clean Water Act.

32 (4) Of the sums appropriated to the trust from the "Stormwater
33 Management and Combined Sewer Overflow Abatement Fund"
34 created pursuant to section 14 of the "Stormwater Management and
35 Combined Sewer Overflow Abatement Bond Act of 1989"
36 (P.L.1989, c.181) pursuant to P.L.1998, c.87, the trust is authorized
37 to transfer such amounts as needed to the Clean Water State
38 Revolving Fund for the purpose of providing the State match as
39 required for the award of the capitalization grants made available to
40 the State for clean water projects pursuant to the Federal Clean
41 Water Act.

42 (5) Of the sums appropriated to the trust from the "2003 Water
43 Resources and Wastewater Treatment Trust Fund" established
44 pursuant to subsection b. of section 19 of the "Dam, Lake, Stream,
45 Flood Control, Water Resources, and Wastewater Treatment Project
46 Bond Act of 2003" (P.L.2003, c.162) pursuant to P.L.2004, c.110,
47 the trust is authorized to transfer such amounts as needed to the
48 Clean Water State Revolving Fund for the purpose of providing the
49 State match as required for the award of the capitalization grants

1 made available to the State for clean water projects pursuant to the
2 Federal Clean Water Act.

3 (6) Of the sums appropriated to the trust from repayments of
4 loans deposited in any account, including the "Clean Water State
5 Revolving Fund," "Wastewater Treatment Fund," the "1992
6 Wastewater Treatment Fund," the "Water Supply Fund," the
7 "Stormwater Management and Combined Sewer Overflow
8 Abatement Fund" or the Drinking Water State Revolving Fund, as
9 appropriate, pursuant to sections 11 and 12 of P.L.1995,
10 c.219, sections 11 and 12 of P.L.1996, c.85, sections 11 and 12 of
11 P.L.1997, c.221, sections 12 and 13 of P.L.1998, c.84, section 11 of
12 P.L.1999, c.174, section 11 of P.L.2000, c.92, section 11 of
13 P.L.2001, c.222, section 11 of P.L.2002, c.70, section 11 of
14 P.L.2003, c.158, section 11 of P.L.2004, c.109, section 11 of
15 P.L.2005, c.196, section 11 of P.L.2006, c.68, section 10 of
16 P.L.2007, c.140, section 10 of P.L.2008, c.67, section 10 of
17 P.L.2009, c.101, section 10 of P.L.2010, c.62, section 10 of
18 P.L.2011, c.95, section 10 of P.L.2012, c.38, section 10 of
19 P.L.2013, c.94, section 10 of P.L.2014, c.26, section 10 of
20 P.L.2015, c.107, section 10 of P.L.2016, c.31, section 10 of
21 P.L.2017, c.142 as amended by section 10 of P.L.2017, c.327, and
22 section 10 of P.L. , c. (pending before the Legislature as Senate
23 Bill No. of 2018 and Assembly Bill No. of 2018) for deposit into
24 one or more reserve funds or accounts established by the trust
25 pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11), the trust
26 shall transfer to the respective fund of origin the uncommitted
27 balance of all such moneys no longer utilized by the trust for such
28 purposes.

29 d. For the purposes of this act:

30 (1) "capitalized interest" means the amount equal to interest
31 paid on trust bonds which is funded with trust bond proceeds and
32 the earnings thereon;

33 (2) "debt service reserve fund expenses" means the debt service
34 reserve fund costs associated with reserve capacity expenses, water
35 supply projects for which the project sponsors are public water
36 utilities as provided in section 9 of P.L.1985, c.334 (C.58:11B-9),
37 other drinking water projects not eligible for, or interested in, State
38 or federal debt service reserve funds pursuant to the "Water Supply
39 Bond Act of 1981," P.L.1981, c.261, as amended and supplemented
40 by P.L.1997, c.223, and any clean water projects not eligible for, or
41 interested in, State or federal debt service reserve funds from the
42 Clean Water State Revolving Fund;

43 (3) "issuance expenses" means and includes, but need not be
44 limited to, the costs of financial document printing, bond insurance
45 premiums or other credit enhancement, underwriters' discount,
46 verification of financial calculations, the services of bond rating
47 agencies and trustees, the employment of accountants, attorneys,
48 financial advisors, loan servicing agents, registrars, and paying
49 agents, and any other costs related to the issuance of trust bonds;

1 (4) "loan origination fee" means the fee charged by the
2 Department of Environmental Protection and financed under the
3 trust loan to pay a portion of the costs incurred by the department in
4 the implementation of the New Jersey Environmental Infrastructure
5 Financing Program; and
6 (5) "reserve capacity expenses" means those project costs for
7 reserve capacity not eligible for loans under rules and regulations
8 governing zero interest loans adopted by the Commissioner of
9 Environmental Protection pursuant to section 4 of P.L.1985,
10 c.329 but which are eligible for loans from the trust in accordance
11 with the rules and regulations adopted by the trust pursuant to
12 section 27 of P.L.1985, c.334 (C.58:11B-27).
13 e. The trust is authorized to increase the loan amount in the
14 future to compensate for a refunding of the issue, provided adequate
15 savings are achieved, for the loans issued pursuant to P.L.1995,
16 c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85, P.L.1999,
17 c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71, P.L.2003,
18 c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67, P.L.2007,
19 c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62, P.L.2011,
20 c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26, P.L.2015,
21 c.107, P.L.2016, c.31 as amended by P.L.2017, c.13, P.L.2017,
22 c.142 as amended by P.L.2017, c.327, and P.L. , c. (pending
23 before the Legislature as Senate Bill No. of 2018 and Assembly
24 Bill No. of 2018).
25
26 2. a. (1) The New Jersey Infrastructure Bank is authorized to
27 expend funds for the purpose of making supplemental loans to or on
28 behalf of the project sponsors listed below for the following clean
29 water environmental infrastructure projects:
30

Project Sponsor	Project Number	Estimated Allowable Trust Loan Amount	Estimated Total Allowable Loan Amount
Burlington Township	S340712-14-1	\$150,000	\$200,000
Manasquan Borough	S340450-01-1	\$1,582,500	\$2,110,000
Mendham Township	S340477-01-1	\$1,615,500	\$2,154,000
North Hudson SA	S340952-19-1	\$525,000	\$700,000
Warren Township SA	S340964-02-1	\$262,500	\$350,000
Total Projects: 5		\$4,135,500	\$5,514,000

31
32 (2) The loans authorized in this subsection shall be made for the
33 difference between the allowable loan amounts required by these
34 projects based upon final building costs pursuant to subsection a. of

1 section 7 of this act and the loan amounts certified by the chairman
2 of the trust in State fiscal years 2016 and 2017 and for increased
3 allowable costs as defined and determined in accordance with the
4 rules and regulations adopted by the trust pursuant to section 27 of
5 P.L.1985, c.334 (C.58:11B-27). The loans authorized in this
6 subsection shall be made to or on behalf of the project sponsors
7 listed, up to the individual amounts indicated and in the priority
8 stated, to the extent sufficient funds are available, except as a
9 project fails to meet the requirements of section 6 of this act.

10 (3) The loans authorized in this subsection shall have priority
11 over the environmental infrastructure projects listed in subsection a.
12 of section 4 of this act.

13 b. The trust is authorized to adjust the allowable trust loan
14 amount for projects authorized in this section to between 25 percent
15 and 75 percent of the total allowable loan amount and such excess
16 amounts to the extent the priority ranking and an insufficiency of
17 funding prevent the Department of Environmental Protection from
18 making the loan as provided in subsection f. of section 7 of this act.

19
20 3 a. The New Jersey Infrastructure Bank is authorized to
21 make loans to or on behalf of the project sponsors for the clean
22 water projects listed in subsection a. of section 2 and subsection a.
23 of section 4 of this act up to the individual amounts indicated and in
24 the priority stated, except as any such amount may be reduced by
25 the trust pursuant to subsection a. of section 7 of this act, or if a
26 project fails to meet the requirements of section 6 of this act. The
27 trust is authorized to increase any such amount pursuant to
28 subsection b., c., d., e. or f. of section 7 or section 8 of this act.

29 b. The trust is authorized to make loans to project sponsors for
30 the drinking water projects listed in subsection b. of section 4 of
31 this act up to the individual amounts indicated and in the priority
32 stated, except as any such amount may be reduced by the trust
33 pursuant to subsection a. of section 7 of this act, or if a project fails
34 to meet the requirements of section 6 of this act. The trust is
35 authorized to increase any such amount pursuant to subsection b.,
36 c., d., e. or f. of section 7 or section 8 of this act.

37
38 4. a. The following environmental infrastructure projects shall
39 be known and may be cited as the "Storm Sandy and State Fiscal
40 Year 2019 Clean Water Project Eligibility List":

1

Project Sponsor	Project Number	Estimated Allowable Trust Loan Amount	Estimated Total Allowable Loan Amount
Aberdeen Township	S340869-02	\$6,750,000	\$9,000,000
Atlantic County UA	S340809-23	\$11,040,000	\$11,040,000
Atlantic County UA	S340809-24	\$600,000	\$800,000
Atlantic County UA	S340809-25	\$17,520,000	\$17,520,000
Atlantic County UA	S340809-26	\$1,500,000	\$1,500,000
Atlantic County UA	S340809-28	\$3,075,000	\$4,100,000
Bayshore RSA	S340697-05	\$9,750,000	\$13,000,000
Bayshore RSA	S340697-06	\$11,325,000	\$15,100,000
Bradley Beach Borough	S340472-01	\$2,025,000	\$2,700,000
Bradley Beach Borough	S340472-02	\$1,942,538	\$2,590,050
Burlington City	S340140-01	\$1,275,000	\$1,700,000
Camden County MUA	S340640-17	\$2,625,000	\$3,500,000
Carteret Borough	S340939-09	\$11,257,500	\$15,010,000
Cinnaminson SA	S340170-08	\$870,000	\$1,160,000
Elizabeth City	S340942-19	\$5,775,000	\$7,700,000
Glen Ridge Borough	S340861-03	\$334,387	\$445,849
Gloucester City	S340958-08	\$1,575,000	\$2,100,000
Gloucester County UA	S340902-14	\$33,750,000	\$45,000,000
Gloucester County UA	S340902-16	\$1,575,000	\$2,100,000
Hightstown Borough	S340915-05	\$1,050,000	\$1,400,000
Hoboken City	S340635-07	\$3,750,000	\$5,000,000
Jersey City	S340928-30	\$2,033,250	\$2,711,000
Jersey City MUA	S340928-15	\$30,750,000	\$41,000,000
Jersey City MUA	S340928-19	\$5,625,000	\$7,500,000
Jersey City MUA	S340928-20	\$5,400,000	\$7,200,000
Jersey City MUA	S340928-22	\$562,500	\$750,000
Kearny MUA	S340259-07	\$4,875,000	\$6,500,000
Little Egg Harbor MUA	S340579-02	\$3,187,500	\$4,250,000

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Manasquan River RSA	S340911-03	\$495,000	\$660,000
Mendham Township	S340477-01	\$1,875,000	\$2,500,000
Millville City	S340921-07	\$9,000,000	\$12,000,000
Montclair Township	S340837-04	\$1,275,000	\$1,700,000
Newark City	S340815-22	\$7,875,000	\$10,500,000
North Bergen MUA	S340652-14	\$17,250,000	\$23,000,000
North Hudson SA	S340952-22	\$13,500,000	\$18,000,000
North Hudson SA	S340952-23	\$2,325,000	\$3,100,000
North Hudson SA	S340952-28	\$1,275,000	\$1,700,000
Northwest Bergen County UA	S340700-13	\$3,900,000	\$5,200,000
Ocean County	S344080-09	\$975,000	\$1,300,000
Ocean County	S344080-10	\$187,500	\$250,000
Ocean County	S344080-11	\$262,500	\$350,000
Ocean Township SA	S340750-13	\$412,500	\$550,000
Ocean Township SA	S340750-14	\$1,875,000	\$2,500,000
Passaic Valley SC	S340689-25	\$6,825,000	\$9,100,000
Passaic Valley SC	S340689-30	\$2,775,000	\$3,700,000
Passaic Valley SC	S340689-31	\$3,000,000	\$4,000,000
Passaic Valley SC	S340689-32	\$7,500,000	\$10,000,000
Passaic Valley SC	S340689-34	\$2,175,000	\$2,900,000
Passaic Valley SC	S340689-38	\$15,750,000	\$21,000,000
Passaic Valley SC	S340689-39	\$3,612,000	\$4,816,000
Paulsboro Borough	S340164-01	\$2,062,500	\$2,750,000
Perth Amboy City	S340435-11	\$4,844,513	\$6,459,351
Perth Amboy City	S340435-13	\$637,500	\$850,000
Plumsted Township	S340607-03	\$20,250,000	\$27,000,000
Point Pleasant Beach Borough	S344190-02	\$2,250,000	\$3,000,000
Rahway Valley SA	S340547-15	\$1,941,389	\$2,588,518
Rahway Valley SA	S340547-14	\$7,125,000	\$9,500,000
Riverdale Borough	S340729-02	\$217,342	\$289,789
Riverside SA	S340490-01	\$630,000	\$840,000
Rockaway Valley RSA	S340821-06	\$6,000,000	\$8,000,000
Rockaway Valley RSA	S340821-07	\$6,150,000	\$8,200,000
Rockaway Valley RSA	S340821-09	\$1,650,000	\$2,200,000
Roxbury Township	S340381-07	\$5,625,000	\$7,500,000
Ship Bottom Borough	S340311-03	\$3,525,000	\$4,700,000

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Somerset Raritan Valley SA	S340801-08	\$12,375,000	\$16,500,000
Somerville Borough	S342013-01	\$8,625,000	\$11,500,000
Stafford Township	S344100-03	\$4,200,000	\$5,600,000
Stony Brook RSA	S340400-10	\$3,825,000	\$5,100,000
Sussex County MUA	S342008-05	\$9,750,000	\$13,000,000
Ventnor City	S340667-03	\$1,500,000	\$2,000,000
Total Projects: 70		\$389,100,418	\$508,780,557

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b. The following environmental infrastructure projects shall be known and may be cited as the "Storm Sandy and State Fiscal Year 2019 Drinking Water Project Eligibility List":

Project Sponsor	Project No.	Estimated Allowable Trust Loan Amount	Estimated Total Allowable Loan Amount
Aberdeen Township	1330004-001	\$2,925,000	\$3,900,000
Bellmawr Borough	0404001-006	\$1,725,000	\$2,300,000
Berkeley Township MUA	1505004-009	\$1,650,000	\$2,200,000
Berkeley Township MUA	1505004-007	\$525,000	\$700,000
Bordentown City	0303001-008	\$1,650,000	\$2,200,000
Brick Township MUA	1506001-012	\$4,065,000	\$5,420,000
Cape May City	0502001-004	\$1,650,000	\$2,200,000
Clinton Town	1005001-008	\$1,125,000	\$1,500,000
Clinton Town	1005001-009	\$900,000	\$1,200,000
Elmer Borough	1702001-001	\$600,000	\$800,000
Gloucester City	0414001-022	\$900,000	\$1,200,000
Hoboken City	0905001-001	\$6,375,000	\$8,500,000
Jackson Township MUA	1511001-012	\$8,250,000	\$11,000,000
Jackson Township MUA	1511001-013	\$15,000,000	\$20,000,000
Jackson Township MUA	1511001-010	\$6,150,000	\$8,200,000
Lavallette Borough	1515001-001	\$998,250	\$1,331,000
Little Egg Harbor MUA	1516001-004	\$2,250,000	\$3,000,000
Long Beach Township	1517001-501	\$1,725,000	\$2,300,000
Manchester Township	1518005-002	\$4,125,000	\$5,500,000

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Mantua Township MUA	0810004-002	\$1,350,000	\$1,800,000
Mantua Township MUA	0810004-003	\$1,050,000	\$1,400,000
Maple Shade Township	0319001-006	\$1,950,000	\$2,600,000
Middlesex Water Company	1225001-026	\$9,750,000	\$13,000,000
Netcong Borough	1428001-007	\$2,775,000	\$3,700,000
Netcong Borough	1428001-008	\$825,000	\$1,100,000
Netcong Borough	1428001-009	\$300,000	\$400,000
Newark City	0714001-016	\$10,500,000	\$14,000,000
Newark City	0714001-500	\$3,825,000	\$5,100,000
NJ American Water Co, Inc.	1345001-017	\$7,575,000	\$10,100,000
NJ American Water Co., Inc.	2004002-013	\$12,000,000	\$16,000,000
NJ American Water Co., Inc.	2004002-500	\$27,000,000	\$36,000,000
NJ American Water Co., Inc.	1345001-016	\$10,125,000	\$13,500,000
NJ American Water Co., Inc.	2004002-011	\$9,600,000	\$12,800,000
North Jersey District Water Supply Comm.	1613001-022	\$12,750,000	\$17,000,000
North Jersey District Water Supply Comm.	1613001-025	\$18,000,000	\$24,000,000
North Jersey District Water Supply Comm.	1613001-033	\$3,075,000	\$4,100,000
Old Bridge MUA	1209002-013	\$3,000,000	\$4,000,000
Paulsboro Borough	0814001-003	\$2,100,000	\$2,800,000
Pennington Borough	1108001-002	\$937,500	\$1,250,000
Rahway City	2013001-007	\$13,650,000	\$18,200,000
Red Bank Borough	1340001-002	\$1,500,000	\$2,000,000
Saddle Brook Township	0257001-002	\$1,425,000	\$1,900,000
Ship Bottom Borough	1528001-002	\$2,812,500	\$3,750,000
Stafford Township	1530004-018	\$1,800,000	\$2,400,000
Total Projects: 44		\$222,263,250	\$296,351,000

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2 c. The trust is authorized to adjust the allowable trust loan
3 amount for projects authorized in this section to between zero
4 percent and 75 percent of the total allowable loan amount, and such

1 excess amounts to the extent the priority ranking and an
2 insufficiency of funding prevents the Department of Environmental
3 Protection from making the loan as provided in subsection f. of
4 section 7 of this act, and up to 100 percent of the total allowable
5 loan amount for projects certified by the Department of
6 Environmental Protection pursuant to section 1 of P.L.2013, c.93
7 (C.58:11B-9.5).

8
9 5. In accordance with and subject to the provisions of sections
10 5, 6, and 23 of P.L.1985, c.334 (C.58:11B-5, 58:11B-6, and
11 58:11B-23) and as set forth in the financial plan required pursuant
12 to section 21 of P.L.1985, c.334 (C.58:11B-21), or the financial
13 plan required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-
14 21.1), any proceeds from bonds issued by the trust to make loans
15 for priority environmental infrastructure projects listed in sections 2
16 and 4 of this act which are not expended for that purpose may be
17 applied for the payment of all or any part of the principal of and
18 interest and premium on the trust bonds whether due at stated
19 maturity, the interest payment dates or earlier upon redemption. A
20 portion of the proceeds from bonds issued by the trust to make
21 loans for priority environmental infrastructure projects pursuant to
22 this act may be applied for the payment of capitalized interest and
23 for the payment of any issuance expenses; for the payment of
24 reserve capacity expenses; for the payment of debt service reserve
25 fund expenses for the payment of the loan origination fees; and for
26 the payment of increased costs as defined and determined in
27 accordance with the rules and regulations adopted by the trust
28 pursuant to section 27 of P.L.1985, c.334 (C.58:11B-27).

29
30 6. Any loan made by the New Jersey Infrastructure Bank
31 pursuant to this act shall be subject to the following requirements:

32 a. The chairman of the trust has certified that the project is in
33 compliance with the provisions of P.L.1977, c.224, P.L.1985,
34 c.334, P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.224, P.L.1997,
35 c.225, P.L.1999, c.175 or P.L.2003, c.162, and any rules and
36 regulations adopted pursuant thereto, and any amendatory and
37 supplementary acts thereto, as applicable. In making this
38 certification, the chairman may conclusively rely on the project
39 review conducted by the Department of Environmental Protection
40 without any independent review thereof by the trust;

41 b. The loan shall be conditioned upon inclusion of the project
42 on a project eligibility list approved pursuant to section 20 of
43 P.L.1985, c.334 (C.58:11B-20) or section 24 of P.L.1997,
44 c.224 (C.58:11B-20.1);

45 c. The loan shall be repaid within a period not to exceed 30
46 years, or 45 years for combined sewer overflow abatement projects,
47 of the making of the loan;

48 d. The loan, including any portion thereof made by the trust
49 pursuant to subsection f. of section 7 of this act, shall not exceed the

1 allowable project cost of the environmental infrastructure facility,
2 exclusive of capitalized interest and issuance expenses as provided
3 in subsection b. of section 7 of this act, reserve capacity expenses
4 and the debt service reserve fund expenses as provided in
5 subsection c. of section 7 of this act, interest earned on project costs
6 as provided in subsection d. of section 7 of this act, the amounts of
7 the loan origination fee as provided in subsection e. of section 7 of
8 this act, refunding increases as provided in section 8 of this act and
9 increased costs as defined and determined in accordance with the
10 rules and regulations adopted by the trust pursuant to section 27 of
11 P.L.1985, c.334 (C.58:11B-27);

12 e. The loan shall bear interest, exclusive of any late charges or
13 administrative fees payable to the trust pursuant to subsection o. of
14 section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors
15 receiving trust loans, at or below the interest rate paid by the trust
16 on the bonds issued to make or refund the loans authorized by this
17 act, adjusted for underwriting discount and original issue discount
18 or premium, in accordance with the terms and conditions set forth
19 in the financial plan required pursuant to section 21 of P.L.1985,
20 c.334 (C.58:11B-21) or the financial plan required pursuant to
21 section 25 of P.L.1997, c.224 (C.58:11B-21.1); and

22 f. The loan shall be subject to all other terms and conditions as
23 the trust shall determine to be consistent with the provisions of
24 P.L.1985, c.334 (C.58:11B-1 et seq.) and any rules and regulations
25 adopted pursuant thereto, and with the financial plan required by
26 section 21 of P.L.1985, c.334 (C.58:11B-21) or the financial plan
27 required pursuant to section 25 of P.L.1997, c.224 (C.58:11B-21.1).

28 The eligibility lists and authorization for the making of loans
29 pursuant to this act shall expire on July 1, 2019, and any project
30 sponsor which has not executed and delivered a loan agreement
31 with the trust for a loan authorized in this act shall no longer be
32 entitled to that loan.

33

34 7. a. The New Jersey Infrastructure Bank is authorized to
35 reduce the individual amount of loan funds made available to or on
36 behalf of project sponsors pursuant to sections 2 and 4 of this act
37 based upon final building costs defined in and determined in
38 accordance with rules and regulations adopted by the trust pursuant
39 to section 27 of P.L.1985, c.334 (C.58:11B-27) or rules and
40 regulations adopted by the Commissioner of Environmental
41 Protection pursuant to section 4 of P.L.1985, c.329, section 11 of
42 P.L.1977, c.224 (C.58:12A-11) or section 5 of P.L.1981, c.261.
43 The trust is authorized to use any such reduction in the loan amount
44 made available to a project sponsor to cover that project sponsor's
45 increased costs due to differing site conditions or other allowable
46 expenses as defined and determined in accordance with the rules
47 and regulations adopted by the trust pursuant to section 27 of
48 P.L.1985, c.334 (C.58:11B-27).

1 b. The trust is authorized to increase each loan amount
2 authorized in sections 2 and 4 of this act by the amount of
3 capitalized interest and issuance expenses allocable to each loan
4 made by the trust pursuant to this act; provided that the increase for
5 issuance expenses, excluding underwriters' discount, original issue
6 discount or premiums, municipal bond insurance premiums and
7 bond rating agency fees, shall not exceed 0.4 percent of the
8 principal amount of trust bonds issued to make loans authorized by
9 this act.

10 c. The trust is authorized to increase each loan amount
11 authorized in sections 2 and 4 of this act by the amount of reserve
12 capacity expenses, and by the debt service reserve fund expenses
13 associated with the costs identified in paragraphs (3) and (4) of
14 subsection d. of section 1 of this act.

15 d. The trust is authorized to increase each loan amount
16 authorized in sections 2 and 4 of this act by the interest earned on
17 amounts deposited for project costs pending their distribution to
18 project sponsors.

19 e. The trust is authorized to increase each loan amount
20 authorized in sections 2 and 4 of this act by the loan origination fee.

21 f. The trust is authorized to increase each loan amount
22 authorized in sections 2 and 4 of this act by the amount
23 appropriated to the Department of Environmental Protection for the
24 purpose of making the corresponding zero interest loan pursuant to
25 section 3 of P.L. , c. (pending before the Legislature as Senate
26 Bill No. of 2018 and Assembly Bill No. of 2018) in connection
27 with the project costs of the project sponsor, to the extent the
28 priority ranking and an insufficiency of funding prevents the
29 department from making the loan, and for lead abatement projects
30 ineligible for department loans under the Federal Clean Water Act
31 and Safe Drinking Water Act.

32

33 8. The New Jersey Infrastructure Bank is authorized to increase
34 the individual amount of loan funds made available to project
35 sponsors by the trust pursuant to P.L.1989, c.190, P.L.1990, c.97,
36 P.L.1991, c.324, P.L.1992, c.37, P.L.1993, c.192, P.L.1994, c.105,
37 P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,
38 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,
39 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,
40 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,
41 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,
42 P.L.2015, c.107, P.L.2016, c.31 as amended by P.L.2017, c.13,
43 P.L.2017, c.142 as amended by P.L.2017, c.327, or P.L. ,
44 c. (pending before the Legislature as Senate Bill No. of 2018 and
45 Assembly Bill No. of 2018), provided that adequate savings are
46 achieved, to compensate for a refunding of trust bonds issued to
47 make loans authorized by the aforementioned acts.

1 9. The expenditure of funds authorized pursuant to this act is
2 subject to the provisions of P.L.1977, c.224 (C.58:12A-1 et al.),
3 P.L.1985, c.329, P.L.1985, c.334 (C.58:11B-1 et seq.), as amended
4 and supplemented by P.L.1997, c.224, P.L.1992, c.88, P.L.1989,
5 c.181, P.L.1997, c.223, P.L.1997, c.225, P.L.1999, c.175, or
6 P.L.2003, c.162, and the rules and regulations adopted pursuant
7 thereto or the Federal Safe Drinking Water Act, as appropriate.

8
9 10. a. There is appropriated to the New Jersey Infrastructure
10 Bank, as needed to make short-term or temporary loans, from funds
11 deposited in any account, including the "Wastewater Treatment Fund,"
12 the "1992 Wastewater Treatment Fund," the "Water Supply Fund," the
13 "2003 Water Resources and Wastewater Treatment Trust Fund," the
14 "Stormwater Management and Combined Sewer Overflow Abatement
15 Fund," the "Clean Water State Revolving Fund," or the "Drinking
16 Water State Revolving Fund," as appropriate, and from any net
17 earnings received from the investment and reinvestment of such
18 deposits, the sum of \$600,000,000 consisting of:

19 (1) The uncommitted balance of \$500,000,000 currently on deposit
20 in the special fund (hereinafter referred to as the "Interim
21 Environmental Financing Program Fund") created and established by
22 the trust for the short-term or temporary loan financing or refinancing
23 program (hereinafter referred to as the "Interim Environmental
24 Financing Program") authorized pursuant to subsection d. of section 9
25 of P.L.1985, c.334 (C.58:11B-9), which balance previously had been
26 appropriated to the trust for such purpose pursuant to section 11 of
27 P.L.2017, c.142, less any Interim Environmental Financing Program
28 Fund amounts appropriated to the Department of Environmental
29 Protection to supplement the sums appropriated from the Clean Water
30 State Revolving Fund for clean water projects pursuant to the Federal
31 Clean Water Act and from the Drinking Water State Revolving Fund
32 for drinking water projects pursuant to the Federal Safe Drinking
33 Water Act, provided that at no time shall funds committed pursuant to
34 this section exceed funds required by the Department of
35 Environmental Protection to meet long-term obligations; and

36 (2) such other amounts to be deposited in the Interim
37 Environmental Financing Program Fund, in an aggregate amount that
38 does not exceed at any time, the amount appropriated, provided that
39 the amount so reappropriated and appropriated to the trust for deposit
40 in the Interim Environmental Financing Program Fund shall be utilized
41 by the trust to make short-term or temporary loans pursuant to the
42 Interim Environmental Financing Program to any one or more of the
43 project sponsors, for the respective projects thereof, identified in the
44 interim environmental financing project priority list (hereinafter
45 referred to as the "Interim Environmental Financing Program Project
46 Priority List") in the form provided to the Legislature by the
47 Commissioner of Environmental Protection.

48 b. The Interim Environmental Financing Program Project Priority
49 List shall be submitted to the Secretary of the Senate and the Clerk of

1 the General Assembly at least once each fiscal year. The Secretary of
2 the Senate and the Clerk of the General Assembly shall cause the date
3 of submission to be entered upon the Senate Journal and the Minutes
4 of the General Assembly, respectively. Any environmental
5 infrastructure project or the project sponsor thereof not identified in
6 the Interim Environmental Financing Program Project Priority List
7 shall not be eligible for a short-term or temporary loan from the
8 Interim Environmental Financing Program Fund.

9 c. The trust may issue market rate interest short-term temporary
10 loans for wastewater treatment and water supply projects on the
11 Interim Environmental Financing Program Project Priority List for the
12 reduction of lead in publicly-owned facilities otherwise ineligible to
13 receive funding for that purpose pursuant to subsection a. of this
14 section.

15
16 11. a. There is appropriated to the New Jersey Infrastructure
17 Bank for deposit in the special fund created and established by the
18 trust for the short-term or temporary Disaster Relief Emergency
19 Financing Program loan financing or refinancing program
20 (hereinafter referred to as the "Disaster Relief Emergency Financing
21 Program") authorized pursuant to subsection a. of section 1 of
22 P.L.2013, c.93 (C.58:11B-9.5) such sums as needed consisting of:

23 (1) sums from the "Interim Environmental Financing Program
24 Fund" as needed by the trust to make short-term or temporary loans
25 pursuant to the Disaster Relief Emergency Financing Program to
26 any one or more of the project sponsors, for the respective projects
27 thereof; and

28 (2) such other amounts to be deposited in the Disaster Relief
29 Emergency Financing Program Fund, provided that the amount so
30 appropriated to the trust for deposit in the Disaster Relief
31 Emergency Financing Program Fund shall be utilized by the trust to
32 make short-term or temporary loans pursuant to the Disaster Relief
33 Emergency Financing Program to any one or more of the project
34 sponsors, for the respective projects thereof. Any projects funded
35 by the Disaster Relief Emergency Financing Program shall be
36 subject to the approval of the Commissioner of Environmental
37 Protection.

38 b. The Disaster Relief Emergency Financing Program Project
39 Priority List shall be submitted to the Legislature pursuant to
40 section 2 of P.L.1991, c.164 (C.52:14-19.1) at least once in each
41 fiscal year. Any environmental infrastructure project or the project
42 sponsor thereof not identified in the Disaster Relief Emergency
43 Financing Program Project Priority List shall not be eligible for a
44 short-term or temporary loan from the Disaster Relief Emergency
45 Financing Program Fund.

46
47 12. Notwithstanding the provisions of the "Administrative
48 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.) to the
49 contrary, the trust shall not be required to adopt rules and

1 regulations governing the making of Disaster Relief Emergency
2 Financing Program loans.

3

4 13. This act shall take effect immediately.

5

6

7

STATEMENT

8

9 This bill authorizes the New Jersey Infrastructure Bank (trust)
10 (formerly the New Jersey Environmental Infrastructure Trust) to
11 expend up to \$810.6 million and any unexpended balances from
12 previous authorizations to provide loans with an interest rate at or
13 below the prevailing market rate to project sponsors (primarily local
14 governments, public authorities, or public water utilities) for a
15 portion of the total costs of 119 eligible environmental
16 infrastructure projects. The eligible projects are those included in
17 the “Storm Sandy and State Fiscal Year 2019 Clean Water Project
18 Priority List” and the “Storm Sandy and State Fiscal Year 2019
19 Drinking Water Project Priority List,” as well as five clean water
20 environmental infrastructure projects that received loans in the past
21 and which now require supplemental loans in order to meet actual
22 costs.

23 In addition to the use of prior unused allocations, this bill also
24 permits the trust to use any loan repayments received to date, and
25 the amounts for capitalized interest, bond issuance expenses and
26 related amounts, to fund the State Fiscal Year 2019 New Jersey
27 Environmental Infrastructure Financing Program (NJEIFP).

28 Since its creation in 1985, the trust in partnership with the
29 Department of Environmental Protection have provided low-cost
30 NJEIFP loans for the construction of environmental infrastructure
31 projects that enhance and protect ground and surface water
32 resources, ensure the safety of drinking water supplies, and make
33 possible responsible and sustainable economic development. Since
34 1985, NJEIFP loans to local government units and some private
35 water companies have totaled more than \$6.7 billion of which the
36 Trust has provided more than \$2.8 billion in loans to finance
37 wastewater systems, combined sewer overflow abatement, nonpoint
38 source pollution control and safe drinking water supplies generating
39 more than 130,000 construction projects throughout the State.